

# Exhibit A

L. Kruger

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

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In Re:

Case No.

12-12020 (MG)

RESIDENTIAL CAPITAL, LLC,

et al.,

(Jointly Administered)

(Bankr. S.D.N.Y.)

Debtors

-----X

DEPOSITION OF LEWIS KRUGER

New York, New York

Thursday, July 11, 2013

Reported by:

THOMAS A. FERNICOLA, RPR

JOB NO. 63547



AHG Designations



Debtor Designations



AHG Counter Designations



Unresolved Objections

1 L. Kruger

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4  
5  
6 July 11, 2013

7 10:06 a.m.

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10 Deposition of LEWIS KRUGER, held at the  
11 Law Offices of White & Case, LLP, 1155 Avenue of  
12 the Americas, New York, New York, before  
13 Thomas A. Fernicola, a Registered Professional  
14 Reporter and Notary Public of the State of New  
15 York.  
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25

1 L. Kruger

2 A. I saw the document May 20th, 22nd,  
3 23rd, some date like that.

4 Q. How did you come to first see the  
5 FGIC Settlement Agreement on or about May 23,  
6 2013?

7 A. I don't recall.

8 Q. You don't remember who showed it to  
9 you?

10 A. No.

11 Q. You don't remember if your counsel  
12 provided it to you?

13 A. I just don't recall.

14 Q. Were you aware of the existence of a  
15 settlement agreement involving the FGIC wrapped  
16 trusts before May 23, 2013?

17 A. I'm sorry, can you repeat the  
18 question? You're talking about a settlement  
19 agreement or a settlement?

20 Q. It's a fair point.

21 Prior to May 23, 2013, were you aware  
22 that there were discussions underway between  
23 and among FGIC, the trustees and others, with  
24 respect to potential commutation of the FGIC  
25 wrapped policies?

1 L. Kruger

2 MR. KERR: Objection.

3 BY MS. EATON:

4 Q. You can answer.

5 A. Yes.

6 Q. And how did you become aware that  
7 there were negotiations on that subject?

8 A. In, I guess in early April as part of  
9 the mediation, I became aware that there was a  
10 prospective settlement between FGIC and the  
11 trusts.

12 Q. Did you say a "prospective  
13 settlement"?

14 A. Yes.

15 Q. How did you come to learn that there  
16 was a prospective settlement of that sort?

17 A. Through the mediation process.

18 Q. What do you mean by that?

19 MR. KERR: Mary, we're going to  
20 have -- let me just help the witness here.

21 MS. EATON: Well --

22 MR. KERR: No.

23 MS. EATON: -- they're his words.  
24 Those are the words he used. I'm just  
25 asking him what he meant by that, and I

1 L. Kruger

2 prefer that you not make speaking  
3 objections or assist the witness in  
4 answering a question regarding his own  
5 language.

6 MR. KERR: I'm not trying to assist  
7 the witness. All I wanted to state is, as  
8 you were aware, there is an order entered  
9 by the court providing for confidentiality  
10 with respect to the mediation.

11 In answering any questions,  
12 Mr. Kruger, is respecting that  
13 confidentiality. So he is free to answer  
14 questions as he can, consistent with that  
15 confidentiality order.

16 I just want to be very clear that  
17 what he is going to be acting and  
18 testifying consistently. Okay.

19 MS. EATON: I understand your  
20 position. You understand we disagree with  
21 that position. Both of us are reserving  
22 our rights.

23 BY MS. EATON:

24 Q. Can you please answer the question,

25 Mr. Kruger, what did you mean when you used the



1 L. Kruger

2 words, quote, "through the mediation process,"  
3 close quote?

4 A. I saw a -- I saw a proposal for a  
5 settlement.

6 Q. A physical proposal, as in a  
7 document?

8 A. I believe so.

9 Q. Was it a term sheet?

10 A. I think it may have been.

11 Q. It wasn't a fully fleshed out  
12 agreement in any sense of that term; is that  
13 fair?

14 A. Yes.

15 Q. Who showed you the proposal?

16 A. I don't recall.

17 Q. Was it during a mediation session,  
18 per se, with the mediator that you saw that  
19 document?

20 MR. KERR: Objection.

21 BY MS. EATON:

22 Q. Let me fix it.

23 Was it in a session at which the  
24 mediator was present that you first saw that  
25 document?

1 L. Kruger

2 A. I just don't recall.

3 Q. It could have been in the presence of

4 Judge Peck or outside the presence of Judge

5 Peck?

6 MR. KERR: Objection.

7 A. No.

8 Q. You don't remember one way or the

9 other?

10 A. No.

11 Q. Who else was there?

12 A. I think counsel from MoFo.

13 Q. Anyone else?

14 A. Not that I recall.

15 Q. Was it counsel from MoFo who showed

16 you the document?

17 A. I don't recall.

18 Q. Do you have any understanding of how

19 that document came to be, that is, how it came

20 to be prepared?

21 A. No, I don't.

22 Q. Do you know who was involved in

23 preparing the document?

24 A. No, I don't.

25 Q. Do you know anything at all about the



1 L. Kruger

2 discussions that led to the preparation of that  
3 document?

4 A. No.

5 Q. That's a "yes" or "no" question.

6 MR. KERR: That's fair.

7 BY MS. EATON:

8 Q. Let me, just so the court reporter  
9 gets it down straight, do you know anything at  
10 all about the facts and circumstances that led  
11 to the preparation of that document?

12 A. No, I do not.

13 Q. Would it be fair to say that you  
14 personally had no idea that there were  
15 discussions underway about an -- possible  
16 settlement involving the FGIC wrapped trusts?

17 MR. KERR: Objection.

18 A. I don't recall knowing anything about  
19 that before I saw the April presentation.

20 Q. Prior to the date when you saw that  
21 that document, the term sheet, had you  
22 participated in mediation sessions with  
23 Magistrate Judge Peck?

24 A. Yes.

25 Q. And during any of those sessions, was

1 L. Kruger

2 the subject of a potential settlement involving  
3 the FGIC wrapped trusts ever discussed? I'm  
4 not asking you to describe it, just "yes" or  
5 "no," was it ever discussed?

6 MR. KERR: And I will let him answer  
7 that question, but no further, if you  
8 recall.

9 A. Yes.

10 Q. When?

11 A. During mediation sessions.

12 Q. Can you give the date?

13 A. No.

14 Q. Even an approximate date?

15 A. March.

16 Q. Some time in March? Early March,  
17 late March, any idea?

18 A. No recollection.

19 Q. Who was at the mediation session when  
20 that subject was raised?

21 A. I have no idea.

22 Q. Was it the -- was it an all-hands  
23 session? Do you know what I mean by that?

24 MR. KERR: Objection.  
25

1 L. Kruger

2 BY MS. EATON:

3 Q. Okay.

4 Let me rephrase the question.

5 There were -- isn't it correct that  
6 there were sessions with the mediator that  
7 sometimes involved all of the mediating parties  
8 and sometimes involved a subset of the  
9 mediating parties?

10 A. Yes.

11 Q. At this particular session that you  
12 described, was this an occasion where all of  
13 the mediating parties were present or rather an  
14 occasion where a subset of the mediation  
15 parties were present?

16 MR. KERR: Objection to form.

17 A. I think a subset. I don't recall.

18 Q. At that session, did anyone present  
19 indicate whether the prospective settlement  
20 under discussion had been reduced to any kind  
21 of a writing?

22 MR. KERR: Objection. And I'll  
23 direct him not to answer that in  
24 confidentiality, based on the  
25 confidentiality mediation.



1 L. Kruger

2 why the board authorized you to do so?

3 A. That would be facetious wisdom and  
4 good judgment on their part.

5 Q. I'm sorry, I didn't understand your  
6 last answer.

7 A. Why don't you ask me the question  
8 again and I'll answer it.

9 Q. Sure. I'll ask you a new question.

10 What were the reasons why the board  
11 authorized you to enter into the FGIC  
12 Settlement Agreement?

13 MR. KERR: Objection.

14 A. Because I was the chief restructuring  
15 officer of the company and I had the authority  
16 to do so, and they gave me that authority.

17 Q. Did you think entering into the  
18 agreement was a good idea?

19 A. Yes, I did.

20 Q. Did you believe it was in the best  
21 interest of the debtors?

22 A. Yes, I did.

23 Q. Did you express that view to the  
24 board of directors?

25 A. I'm sure I did.